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IMPLEMENTATION OF MEDIUM-TERM PROGRAMME FRAMEWORK, 2002-2005, INCLUDING FIELD REPRESENTATION AND TECHNOLOGY FORESIGHT

Implementation of medium-term programme framework, 2002-2005

Report by the Director-General

Reports on implementing measures contained in General Conference resolution GC.9/Res.2 on the medium-term programme framework, 2002-2005

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Introduction

1. The present document is issued in accordance with General Conference resolution GC.9/Res.2 on the medium-term programme framework (MTPF) for 2002-2005. That resolution encouraged the Director-General to devote particular attention to a number of specific issues in implementing the Business Plan during 2002-2005, and called upon him to report to the tenth session of the Conference, through the Industrial Development Board, on the implementation of the resolution. The present report highlights the issues selected for special attention in resolution GC.9/Res.2 under the headings of strengthening industrial capacities, cleaner and sustainable industrial development, global forum activities, field representation and human resources management, and summarizes the principal measures taken in response.

I. STRENGTHENING INDUSTRIAL CAPACITIES

A. Maintaining and reinforcing the sectoral priorities defined in the Business Plan

2. In order to enhance UNIDO's abilities to implement activities meeting the sectoral priorities defined in the Business Plan more effectively and efficiently, the Director-General has reconfigured the Organization's structure into three divisions—two substantive and one administrative—with effect from 1 March 2002. All the substantive areas involved in developing technical cooperation programmes have been brought together into a single division, in order to promote a coherence of efforts, strengthen a strategic approach and improve UNIDO's delivery and technical capacity. The second substantive division combines programme coordination, strategic research and the regional bureaux.

3. While proceeding with the formulation and implementation of integrated programmes and country service frameworks, UNIDO has also begun to develop a limited number of new thematic initiatives to provide specialized assistance to developing countries and countries with economies in transition in meeting particularly pressing development needs. These initiatives are intended to address key subjects on the international development agenda while reflecting UNIDO's comparative advantages in the field of industrial development. Several of these initiatives—covering rural energy, sustainable business linkages, product innovation, food security, post-crisis rehabilitation, biotechnology and technology foresight—are currently under consideration. After due evaluation, the most promising of these are expected to be introduced by the end of 2002.

B. Supporting institutional capacity-building in relation to technical regulations and standards, in order to facilitate market access

4. One such initiative—to facilitate access to international markets for developing countries and countries with economies in transition by helping these countries to meet quality and standards requirements and overcome other technical barriers to trade—has already been launched. This initiative was formally unveiled by the Director-General at the International Conference on Financing for Development held from 18 to 22 March 2002 at Monterrey, Mexico. It is to be operationalized by the introduction of a number of regional trade facilitation programmes, the first of which has already been drafted for the Central American subregion. In addition, several projects for creating or strengthening local standards, metrology, testing and quality (SMTQ) systems have been formulated for, or implemented in, a wide range of countries and regions. These include Sri Lanka, Uzbekistan, UEMOA countries, Mekong River Basin countries, SAARC, SADC and ECOWAS countries.

C. Promoting investment and technology transfer, sectoral interaction with the private sector and interregional cooperation

5. UNIDO remains very active in this field, in particular through training national staff of investment promotion agencies and relevant private sector institutions in investment project identification, formulation, appraisal and promotion. This capacity-building effort is accompanied by the formulation of a portfolio of enterprise and investment project profiles, the most promising of which are promoted through the Investment and Technology Promotion Office (ITPO) network, primarily by trained national staff seconded to ITPOs. Special investment forums are also organized, usually at the subsector or bilateral levels but occasionally at the broader regional or multisector levels, as at the Organization of African Unity Forum at Cairo in April 2002.

6. In addition, several innovative new steps are being taken in this field. One of these is introducing closer cooperation with financing institutions to establish more direct links between the investment opportunities generated by UNIDO programmes and equity financing mechanisms. Another is the establishment of an inter-regional Africa investment promotion agency network to provide UNIDO with a focus group for developing new approaches and generating unique empirical analyses.

D. Assisting in the development of small and medium enterprises (SMEs) through providing policy advice and strengthening support institutions with special emphasis on rural and women's entrepreneurship

7. UNIDO continues to provide technical cooperation services aimed at promoting effective policies and specialized support institutions for SME development. The Organization's contributions in this field cover support for overall industrial policies, strategies and support institutions, rural and women's entrepreneurship, SME clusters and networks, and business partnerships and information services.

8. With regard to industrial strategies and institutional support, UNIDO endeavours to build up an enabling framework for industrial development in terms of a conducive regulatory and incentives system and targeted policy measures, based on detailed competitiveness analyses. Emphasis is given to public/private consultative mechanisms through strengthening private sector institutions and representative bodies. Integrating SME development needs into policy design and implementation receives high priority. For instance in Viet Nam, as a result of UNIDO work, major policy reforms in support of SMEs were finalized in early 2002.

9. The principal objective of the UNIDO programme for rural and women's entrepreneurship development is to contribute to poverty reduction by providing technical cooperation services to encourage the initiatives of rural and women entrepreneurs and reduce the regulatory impediments hampering their success. In the current MTPF period, special attention is being given to promoting this programme in least developed countries (LDCs), sub-Saharan Africa and countries with special needs, e.g. pockets of poverty, ethnic isolation, or conflict zones. There are ongoing projects in 29 countries, of which 12 are in LDCs and 14 are in Africa.

10. The SME cluster and network development programme is intended to help SMEs overcome the limitations of small size by promoting collective action and thereby enabling them to achieve external economies beyond the reach of individual firms. This programme is in high demand, and the large number of ongoing projects is expected to be supplemented by numerous new projects included in the integrated programmes scheduled for implementation during the current MTPF period. This increase in the volume of technical cooperation will be accompanied by an increase in global forum activities, inter alia, through launching a research and demonstration project with support and financing from Switzerland, on the use of cluster development as a tool for poverty alleviation. UNIDO also intends to establish a global training programme for cluster and network development functions, and to devise a system of performance indicators, measurement techniques and data collection systems to provide timely and accurate information on the impact of the various cluster and network development projects.

11. UNIDO's business partnerships and information services programme seeks to build operational partnerships between the public and private sectors for implementing innovative and sustainable technical cooperation schemes[1] on the one hand, and to promote the use of modern information and communication technologies for SME development on the other. In 2002-2005 this programme will continue to focus on the issue of corporate social responsibility, in particular through the ongoing project to introduce the concept of the "triple bottom line" (financial profitability, social responsibility and environmental sustainability) to exporters in developing countries. A complementary study, entitled *Corporate Social Responsibility: Implications for SMEs in Developing Countries*, is due for publication in mid-2002. In addition, an innovative approach has been launched to overcome the traditional divide between financial services and business development services through a pilot scheme in Nigeria in partnership with the African Capital Alliance and the Lagos Business School. Finally, UNIDO will continue its information networking activities through the establishment of one-stop-shops to support the information requirements of SMEs and provide assistance in refocusing government information networks.

E. Promoting South-South cooperation

12. South-South cooperation is promoted by UNIDO wherever possible, both through its technical cooperation and its global forum functions. For example, the Organization's activities in agro-processing include identification of major food products where know-how transfer through South-South cooperation is possible. They also support the creation of networks between middle-income and least developed countries and holding joint training workshops for the exchange of knowledge, financial resources and market possibilities. Recently, UNIDO has also launched a bamboo-processing programme with strong emphasis on South-South cooperation.

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[1] For an analysis and assessment of the UNIDO approach as applied in India see Samii, R., et. al., *An Innovative Public-Private Partnership: New Approach to Development*, in World Development, Vol. 30, No. 6, pp. 991-1008, 2002

F. Promoting the transfer of technology, particularly for agro-related technology, information and communications technology, and biotechnology

13. With regard to promoting the transfer of technology, five significant developments can be reported for 2002:

(a) Establishing the Shanghai Information Technology Promotion Centre (SITPC) in China with the aim of addressing the issues faced by information technology (IT) institutions and cities in the Asia-Pacific region and strengthening their capacities through international cooperation, technology partnerships and training;

(b) Promoting a cooperative venture between the International Centre of Medicine and Biotechnology (ICMB) in Moscow and the Beijing Free Economic Zone and Beijing City Administration to establish a modern medical diagnostic centre in Beijing, and the launch of a programme to transfer generic technologies from Russia to China;

(c) Initiating steps to activate cooperation in the commercialization and transfer of technology with the International Centre for Genetic Engineering and Biotechnology (ICGEB) at Trieste, Italy;

(d) Signing an agreement between UNIDO and the World Intellectual Property Organization (WIPO) that provides for the establishment of a partnership between the two Organizations for awareness-building and training in the SME sector in the field of intellectual property rights and technology commercialization and transfer;

(e) Establishing a UNIDO initiative on "Technology Transfer: Assessing Needs—Promoting Action" which will be launched at the World Summit for Sustainable Development (WSSD) at Johannesburg, South Africa, in August/September 2002. This initiative combines technology needs assessment methodologies and tools that can be applied at national, sectoral and enterprise levels with proven technology promotion techniques and networks.

14. Related activities proposed for the remainder of the MTPF period include strengthening the capacities of UNIDO's ten International Technology Centres. Each Centre will set up a "think tank" to provide developing countries with guidance and "technology road maps" as inputs for decision-making on major technology-related issues in areas with a cross-sectoral impact, such as IT, new materials, biotechnology, medicine biotechnology, energy, environment and manufacturing.

G. Extending technology foresight activities to all regions

15. UNIDO has taken the following measures to promote its technology foresight operations, and to extend them beyond the existing programmes for Latin America and Central and Eastern Europe and the NIS to all regions:

(a) The ongoing programme in Latin America has continued with the development of a new concept of using technology foresight for production chains. With funding from the International Centre for Science and High Technology, previously launched activities in Brazil and Venezuela have been concluded, and new activities have been initiated in Chile and Uruguay. Over the remainder of the MTPF period the programme will be extended to cover several other countries, including Colombia and Peru, and a set of regional technology foresight studies will be undertaken on a number of important production chains and thematic fields;

(b) With regard to the ongoing programme in Central and Eastern Europe and NIS, UNIDO is making preparations for holding an international conference on new advances in technology foresight in September 2002 at Kiev. Preparatory steps have also been taken in cooperation with the Government of Hungary for holding the first of a series of planned annual Technology Foresight Summits in early 2003 at Budapest. This summit will highlight the field of biotechnology in Central and Eastern Europe;

(c) With a view to extending the technology foresight operations to Asia, a project document has been formulated and distributed to recipient partner countries and donor sources for endorsement and support. Measures have also been taken to develop subregional technology foresight initiatives in China;

(d) In the case of Africa, contacts have been established with the Commonwealth Science Council to participate in a regional technology foresight exercise in Southern Africa, with the cooperation and support of South Africa. A draft concept paper was delivered to the South African Ministry of Industry and to the Industrial Development Corporation (IDC) in April 2002. Further consultations with the partners on how to proceed with the launching of the programme are expected to take place during the summer of 2002;

(e) A proposal for a regional technology foresight exercise in the Maghreb region is expected to be finalized, and related promotional activities to be activated, by the end of 2002. Potential donors for this programme include neighbouring European countries

such as Spain, France and Italy. The sectors expected to be covered by the planned programme include agro-food, energy and information technology.

16. In addition, a number of other steps are being taken to further strengthen the role of technology foresight in the range of technical cooperation services offered by UNIDO. These include preparing a UNIDO sales publication on technology foresight and a manual for foresight methodologies. Cooperation arrangements are also being developed with a number of renowned international institutions dealing with technology foresight. As indicated above (para. 3), technology foresight is also being considered as a subject for one of the forthcoming special UNIDO initiatives.

II. CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

A. Developing further cleaner production activities, especially in agro-industry

17. New developments in cleaner production during the current MTPF include establishing new National Cleaner Production Centres (NCPCs) in Sri Lanka and Lebanon during 2002. These will increasingly focus on the agro-industrial sectors. As many as 10 new NCPCs may be established during the remainder of the MTPF period, with the first of these expected to be established in South Africa in autumn 2002, and the second possibly in the Philippines by the end of the year. In addition, several projects focusing on the transfer of cleaner technologies and on eco-design have been initiated in the recent past, and the number is expected to grow over the next few years.

B. Implementing the assistance programme for greenhouse gas reduction, increased energy efficiency and increased use of renewable and alternative sources of energy

18. UNIDO's programme on greenhouse gas reduction and promoting increased energy efficiency as well as the increased use of renewable and alternative sources of energy is continuing to receive high priority. The Organization is continuing to support capacity-building measures for the greenhouse gas reduction mechanisms of the Kyoto Protocol, such as the Cleaner Development Mechanism (CDM). It is also continuing to provide technical cooperation services in the fields of energy efficiency in energy-intensive industrial sectors and SMEs, and in the application of renewable energy technologies.

C. Supporting environmentally sustainable industrial development strategies and technologies in agro-industrial sectors

19. Agro-related industries remain the prime sectoral focus of UNIDO technical cooperation activities. The programmes in these subsectors seek to add value to agricultural produce, assist institutions in supporting productive agro-related enterprises, link industry to agriculture, and assist producers to meet market and environmental requirements. In particular, these programmes offer environmentally sustainable development strategies and technologies for the food, textile, leather, wood and agro-machinery industries.

20. UNIDO services for the food industry include advice to Governments and support institutions, and enterprise-level demonstration projects covering a variety of foods and animal feed. UNIDO also provides advice on processing technologies, product testing and packaging, consumer health and safety, and environmental issues, to ensure that the industry's products and processes meet the prevailing standards in local and export markets. In the remainder of the current MTPF period, UNIDO will seek to replicate its successful market access programmes of recent years, such as the ongoing programmes to promote fish quality in Uganda and the United Republic of Tanzania. Five new programmes to strengthen civil society organizations will also be launched in Africa, the Balkan region, and Latin America.

21. In the textile industry, UNIDO is providing assistance in such fields as policy advice, sector studies, promoting research and development centres and training institutions, and supporting the transfer of modern textile and garment production technologies. The Organization is also giving support to enterprises during the phase-out of the Multi-Fibre Agreement (MFA) and the introduction of its successor, the Agreement on Textiles and Clothing (ATC). In addition, it is helping the textile industries in sub-Saharan Africa and the Caribbean countries to take advantage of the African Growth and Opportunity Act and the Caribbean Basin Initiative, respectively. These activities will be strengthened during the current MTPF and successful programmes, such as the "Tissutheque" programme to promote the traditional textile industry in West Africa and the CAD/CAM centres to improve productivity and quality, will be replicated.

22. UNIDO services in the leather industry encompass advice to support institutions and demonstrating environmentally friendly processes and technologies in

the entire production chain from tanning to manufacturing competitive high-quality leather products and footwear. In 2002-2005 the programme will focus increasingly on technical support for market access, environmental issues, eco-labelling and safety at work. In addition, successful programmes such as the Training and Production Centre for the Shoe Industry established at Thika, Kenya, will be replicated.

23. In the wood sector, UNIDO will continue to provide advice and demonstration activities to increase value added to wood and non-wood (e.g. bamboo) forest products through manufacturing furniture and joinery items for building and the rational use of timber for construction. Other major activities in the wood sector will include transfer of technology and know-how, re-engineering of production lines, assistance in the design of marketable products for export using CAD/CAM software, and promoting environmentally-friendly processes and products. An Internet-based wood and bamboo industry project database is under preparation.

24. In the agro-related machinery industry, UNIDO's advisory services cover the design and manufacture of basic machinery and implements used for agricultural production and processing. In this context UNIDO has formulated a special method of analysing and diagnosing the agro-machinery sector, and designing a coherent set of support programmes and institutions for rural engineers. This method, the Agro-Machinery Industrial System (AMIS), also facilitates the transfer of technology, especially for pre- and post-harvest agricultural activities, for agricultural conservation and preventing land degradation. Its main focus in the foreseeable future will be on rehabilitating/establishing rural technology centres and industrial maintenance.

D. Supporting sustainable industrial development in accordance with international instruments and conventions

25. UNIDO continues to place high priority on implementing sustainable industrial development strategies in accordance with international instruments and conventions such as the Stockholm Convention on Persistent Organic Pollutants (POPs), the Cartagena Protocol on Biosafety (CPB) of the Convention on Biological Diversity (CBD), and the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC). Its activities in these fields during the current MTPF period may be summarized as follows:

(a) With regard to the Stockholm Convention, UNIDO has been awarded the status of an "Executing Agency with Expanded Opportunities", and has thereby gained direct access to the resources of the Global Environment Facility (GEF), the interim financial mechanism of the Convention. To date, UNIDO's efforts have focused on creating awareness of the Convention among Member States and, upon request, helping them to formulate proposals for the initiation of enabling activities leading to the preparation of the National Implementation Plans required by the Convention. Some 50 Member States have requested UNIDO assistance, and GEF approval has been obtained to proceed with some 25 proposals. In addition, UNIDO has developed a number of proposals to identify best technologies for eliminating the proscribed POPs and the best alternative materials to be used as substitutes for them. Over the remainder of the MTPF period, efforts will be made to mainstream the POPs-related activities into the broader programmatic framework of UNIDO;

(b) In connection with the Cartagena Protocol, UNIDO has continued to assist Member States in building the scientific and regulatory capacities to fulfil the provisions of the Protocol. In addition, UNIDO assists the CBD Secretariat in implementing one of the main technical provisions of CPB, the Biosafety Clearing-House Mechanism. Both of these activities will continue for the duration of the MTPF;

(c) As indicated above (para. 18), UNIDO is continuing to support capacity-building measures for the implementation of the provisions of the Kyoto Protocol. These activities will also be sustained for the remainder of the current MTPF.

E. Providing access to modern and efficient energy services for the poorest

26. Based on its comparative advantages in this field, UNIDO has developed a strong rural energy programme, with both technical cooperation and global forum components. The projects implemented under this programme are aimed at increasing the access of the poor to energy. The projects' main feature is their emphasis on creating and/or strengthening of local capacities to manufacture components of rural energy systems and promoting the productive use of these systems for employment creation and income generation.

F. Continuing cooperation with GEF

27. Cooperation with GEF is being undertaken in several fields in which UNIDO has a comparative advantage. In addition to POPs-related activities (para. 25), these include projects to improve the efficiency with which energy is used in industries and which provide modern energy services in rural areas of poor countries and regions. In the GEF focal area of international waters, projects are being executed by UNIDO aiming at cleaner production to decrease or eliminate industrial pollution at coastal areas, and thus promote sustainable industrial fisheries. Other UNIDO

initiatives eligible for GEF support contribute to implementation of the United Nations Framework Convention on Climate Change and the Montreal Protocol.

G. Pursuing activities related to the phasing out of ozone-depleting substances as defined in the Montreal Protocol

28. The year 2002 marks the tenth anniversary of UNIDO's involvement as an implementing agency of the Montreal Protocol, whose goal is the worldwide elimination of ozone-depleting substances (ODS) by 2010. In the current year, the emphasis has been shifted from the traditional project-by-project approach towards national or sectoral ODS phase-out plans, referred to as NPP and SPP respectively, as a result of the new Framework for Strategic Planning established by the Multilateral Fund for the Implementation of the Montreal Protocol. This new approach will require a much more complex involvement on the part of UNIDO, including the provision of programme-level policy advice and institutional strengthening in addition to the traditional technical cooperation and training components. UNIDO has proposed 20 NPP and SPP programmes for implementation in 2002, as well as 54 new projects for an estimated budget of some $35.2 million.

III. GLOBAL FORUM ACTIVITIES

A. Ensuring that technical cooperation activities are supported by cost-effective and output-oriented analytical activities

29. UNIDO continues to emphasize cost-effective and output-oriented analytical activities to provide a strong analytical foundation for its technical cooperation activities. Examples of such work already undertaken or planned in the current MTPF period include publishing discussion and working papers within the framework of the *UNIDO Staff Research Series*; preparing surveys, analyses and databases on issues related to industrial development; formulating manuals, guidelines and toolboxes for specific technical cooperation activities; and holding expert group meetings to discuss matters of relevance to UNIDO's technical cooperation activities.

B. Using global forum activities to improve programmatic activities and enhance common understanding of the contribution of industry to poverty alleviation and economic linkages

30. In addition to its analytical work undertaken in direct support of its technical cooperation activities, UNIDO also conducts broader global forum activities intended to improve its programmatic framework and promote public awareness of industry as a driving force for sustainable poverty alleviation and economic development. The range of such activities proposed for the current MTPF period includes:

(a) The launch of the *Industrial Development Report 2002/2003: Competing through innovation and learning* on 30 July 2002. This report is the first of a new series of publications intended to provide UNIDO clients with a learning tool drawing on empirical benchmarking of industrial performance and capabilities, and on practical examples related to linkage, leverage and learning. A unique feature of the *Report* is the Scoreboard of industrial performance and its drivers. A website is being established to disseminate the information and analysis contained in the *Report* and a number of background papers prepared for it;

(b) The launch in November 2001 of a three-year research programme on *Combating Marginalization and Poverty through Industrial Development* (COMPID). This Danish-funded study is guided by the Millennium Development Goals of poverty alleviation and environmental sustainability, and will focus on five topics: public goods, poverty alleviation, technological development, SMEs and social capital;

(c) The continued collection (in collaboration with the Organisation for Economic Cooperation and Development), upgrading and dissemination of key industrial statistics for all countries. The 2002 updates of the industrial statistics databases maintained by UNIDO have been completed for both external and internal dissemination, and the subsequent 2003, 2004 and 2005 rounds are scheduled as annual routine. Programme highlights for the remainder of the current MTPF period include the publication of the first edition of the re-designed Internet-based *Statistical Country Briefs* and the launch of a new Internet-based publication series tentatively entitled *Statistical Regional Outlooks*;

(d) UNIDO's involvement in technical meetings, both as a host and as a participant, remains a major component of its global forum activities. Examples of such involvement include holding a series of training workshops on industrial governance and the planned joint hosting, with the Government of Chile, of a global conference on biotechnology at Concepción, Chile, in 2003. In addition, UNIDO participates in most of the major regular and occasional international conferences in the various technical fields covered by the Organization.

31. A major feature of UNIDO's global forum activities is the Organization's networking with research institutions and universities. In this connection, a research cooperation agreement with the Centre for Study of African Economies at Oxford University,

which was initiated in 1999, has been renewed for a two-year period (2002-2003). Research collaboration has also been established with the Centre national de la recherche scientifique (CNRS) in Paris. Research papers addressing critical issues of industrial development in developing countries and countries with economies in transition prepared under this programme will be published under the joint auspices of CNRS and UNIDO.

32. UNIDO is also participating in the Nordic Partnership (NP) initiative founded by the World Wide Foundation for Nature in the four Nordic countries and the Danish strategic forum, House of Mandag Morgen. This partnership currently includes 17 major Nordic companies. UNIDO is working with the partners to develop, promote and implement a new approach on how to integrate sustainable development into the business model, thus ensuring that business can take on global responsibility—socially, environmentally and financially. By its active participation in the NP, UNIDO is in a very concrete way working to promote the integration of companies of developing countries into the global economy, thereby furthering an equal sharing of the benefits of globalization.

C. Participating in, and contributing to, major development conferences

33. UNIDO is continuing to play an active role in major development conferences. A high-level UNIDO delegation, headed by the Director-General, participated in the International Conference on Financing for Development held from 18 to 22 March 2002 at Monterrey, Mexico, at which the Director-General unveiled the new UNIDO initiative on market access facilitation (see para. 4 above). UNIDO has also participated actively in the preparatory process for the World Summit on Sustainable Development (WSSD) scheduled for 26 August to 4 September 2002. At the Summit itself, UNIDO's main areas of involvement are technology transfer, rural energy, cleaner production, water and corporate social responsibility. Additional detailed information on this subject may be obtained from document IDB.25/3, entitled "UNIDO involvement in major international conferences".

34. UNIDO actively participated in the ECOSOC High-Level Segment 2002—The Contribution of Human Resources to Development (1-3 July 2002). For UNIDO, the focus was on the Ministerial Roundtable Breakfast on Capacity-Building for Trade and Investment, co-chaired by the Director-General of UNIDO and the Secretary of State, Ministry of Foreign Affairs of Denmark. Roundtable participants urged that practical steps be taken by WTO, UNCTAD, UNIDO, the World Bank, regional development banks, the Common Fund for Commodities and other international organizations to promote trade facilitation measures, including the creation of a clearinghouse in support of better coherence, coordination and availability of information to benefit developing countries. This could be se as part of the follow-up to the WTO Ministerial Conference at Doha in November 2001, and it was recommended that WTO place this on its agenda. The Director-General also participated as a moderator in the Roundtable on "Strengthening institutional capabilities for sustainable development", at which the role of ECOSOC in the context of WSSD was discussed.

IV. FIELD REPRESENTATION

A. Establishing an appropriate monitoring and evaluation system for the field structure

35. Several measures have been taken or proposed in connection with the need to establish an appropriate monitoring and evaluation system for the field structure. These include:

(a) Revising, currently in progress, of the Director-General's Administrative Instructions DGAI/9 and DGAI/13 governing the technical cooperation management framework to reflect the experience gained during the past four years;

(b) Rationalizing the reporting requirements of the UNIDO Representatives (URs) to improve the quality of the reports, and a shift in their focus to the three main areas of importance for strategic management: United Nations system-wide development objectives, UNIDO programmme development and funds mobilization;

(c) Introducing follow-up measures based on the recommendations of the past four global URs meetings held in 1999-2002;

(d) Reviewing the Work Programme Performance and Reporting System (WPPRS).

B. Optimizing and strengthening the field structure and promoting regional integration

36. Several important measures have also begun to be taken to optimize the field structure and promote regional integration. They may be summarized as follows:

(a) Granting seed money to URs to strengthen their responsiveness to the needs of developing countries for UNIDO advisory services;

(b) Launching a web page for URs to enhance the efficiency and effectiveness of the services delivered by the URs and field offices;

(c) Reviewing an analysis of the situation of the field offices and their contribution to technical cooperation delivery conducted after the twenty-third session of the Industrial Development Board to identify follow-up actions to enhance the effectiveness of UNIDO's field offices;

(d) Identifying efforts to enhance the coordination of UNIDO's various field units—such as the UR offices, ITPOs, Technology Centres, NCPCs—to enable them to present a single coherent image of the Organization in the field;

(e) Introducing a career-training plan for URs to enable them to fulfil the added responsibilities arising from the decentralization and empowerment of field offices.

V. HUMAN RESOURCES MANAGEMENT

Encouraging the further development of the Human Resources Management Frame work while ensuring its effectivenss and efficiency

37. The Human Resources Management Framework (HRMF) was adopted in June 2001 and is being implemented in three phases. Phase 1 focuses on recruitment, selection and placement processes; phase 2 on career and performance management; and phase 3 on organizational learning and staff development. In 2002, phase 1 was concluded and aspects of phases 2 and 3 were launched in 2002, and will continue during the period covered by the MTPF.

38. Notable results achieved in 2002 include a 50 per cent reduction in time from advertising a post to the appointment of staff. UNIDO also implemented the contractual modality of appointments of limited duration under the 300 series of staff rules, and is continuing to improve the geographical distribution of staff as well as gender balance. Of the total number of appointments since the last recruitment drive, 35 per cent were from Asia and the Pacific, 30 per cent were from Africa, 5 per cent were from Eastern Europe and NIS and 30 per cent were from Western Europe and other States. Forty per cent of such appointments were female Professionals, compared to a previous maximum of 25 per cent.

39. UNIDO has adopted a new Performance Appraisal System, and undertaken a major job reclassification exercise leading to job classification upgrading, vacancy announcement competition and career growth recognition. A programme has also been launched to promote managerial and organizational competencies and professional excellence. The *UNIDO Competencies* booklet, published in 2002, introduces a comprehensive scheme of competencies to align managerial and technical profiles with the Organization's services. The definition of these competencies has provided a useful guide for the assessment and selection of candidates, and was applied in the selection process for Managing Director positions. Most recently, the first UNIDO Management Development Programme was initiated, and attended by senior-level staff. The programme drew on current management techniques and provided useful and practical pointers for professional excellence. In accordance with the HRMF, the development of other career management exercises and staff development tools are expected to continue during the period covered by the MTPF.

VI. ACTION REQUIRED OF THE COMMITTEE

40. The Committee may wish to take note of the information provided in the present document.

ABBREVIATIONS

A	
AMIS	Agro-Machinery Industrial System
ATC	Agreement on Textiles and Clothing
C	
CAD	computer-aided design
CAM	computer-aided manufacturing
CBD	Convention on Biological Diversity
CDM	Cleaner Development Mechanism
CNRS	Centre national de la recherche scientifique
COMPID	*Combating Marginalization and Poverty through Industrial Development*
CPB	Cartagena Protocol on Biosafety
E	
ECOWAS	Economic Community of West African States
G	
GEF	Global Environment Facility
H	
HRMF	Human Resources Management Framework
I	
ICGEB	International Centre for Genetic Engineering and Biotechnology
ICMB	International Centre of Medicine and Biotechnology
IDC	Industrial Development Corporation
IT	information technology
ITPO	Investment and Technology Promotion Office
L	
LDC	least developed country
M	
MFA	Multi-Fibre Agreement
MTPF	medium-term programme framework
N	
NCPC	National Cleaner Production Centre
NIS	Newly Independent State
NP	Nordic Partnership
NPP	National ozone-depleting substance phase-out plan
O	
ODS	ozone-depleting substance
OECD	Organisation for Economic Cooperation and Development
P	
POP	persistent organic pollutant
S	
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SITPC	Shanghai Information Technology Promotion Centre
SME	small and medium enterprise
SMTQ	standards, metrology, testing and quality
SPP	sectoral ozone-depleting substance phase-out plan
U	
UEMOA	Union économique et monétaire Ouest africaine
UNFCCC	United Nations Framework Convention on Climate Change
UR	UNIDO Representative
W	
WIPO	World Intellectual Property Organization
WPPRS	Work Programme Performance and Reporting System
WSSD	World Summit for Sustainable Development